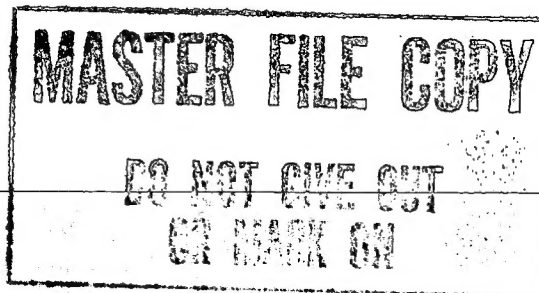




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Vietnam: Staggering Toward the Fifth Party Congress

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An Intelligence Memorandum

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EA 82-10043
March 1982

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An Intelligence Memorandum

*Information available as of 15 March 1982
has been used in the preparation of this report.*

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This memorandum was prepared by [redacted]
[redacted] Office of East Asian Analysis. Comments and
queries are welcome and may be directed to the
Chief, Indochina/Thailand/Burma Branch, on
[redacted]

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This report has been coordinated with the Office of
Soviet Analysis, the Directorate of Operations, and
the National Intelligence Officer for East Asia. [redacted]

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[REDACTED]**Vietnam: Staggering Toward
the Fifth Party Congress** [REDACTED]

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Summary

Vietnam is on the eve of what may be its most acrimonious national party congress. Lack of consensus over economic policy and difficulty in purging party ranks of "degenerate" and unskilled members have already forced a three-month delay in convening the congress. With most major problems apparently still unresolved, the Fifth Party Congress—now scheduled for 27-31 March—may be the scene of bitter debate as well as substantial personnel changes in the 101-man Central Committee and possibly even in the 17-man Politburo. [REDACTED]

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The congress, despite the expected turmoil, probably will ratify party General Secretary Le Duan's economic and party reforms, and he and his associates are likely to retain their positions. But disagreements over the pace of socialization will forestall a consensus on the entire 1981-85 economic plan. [REDACTED]

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The USSR can probably look forward to even closer relations with Hanoi and greater influence on Vietnam's economic planning as a result of the congress. Le Duan has been a strong supporter of close ties to the Soviets. Moreover, his programs depend on an increasing number of trained personnel to implement them, and much of the training is done in the USSR. [REDACTED]

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Washington, on the other hand, can expect little change in its relations with Hanoi. Vietnam's occupation of Kampuchea appears not to be an issue within the leadership, and more than a token withdrawal of Vietnamese troops is highly unlikely. The leadership, regardless of the final outcome of the congress, will look to Western Europe—not to the United States—for any supplement to Soviet assistance [REDACTED]

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**Vietnam: Staggering Toward
the Fifth Party Congress**

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Troubled Times

Since the last national party congress closed in December 1976, the Vietnamese economy has deteriorated sharply. Agricultural production, hampered by bad weather, has not kept up with population growth because of inept management and inappropriate policies. Last year's grain harvest was, in fact, the first to top Vietnam's reunification levels of grain production. Government efforts to encourage agricultural production by raising procurement prices for grain have caused serious inflation, undermined the currency, and stimulated the black market and its attendant corruption.

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Industrial output dropped some 15 percent during 1978-80, reflecting the cumulative effects of mismanagement, socialization policies that undermined incentives, and shortages of spare parts and raw materials. Annual foreign trade deficits of \$600-800 million have created a total debt of about \$3 billion.

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Vietnam's political isolation has worsened its economic difficulties. The occupation of Kampuchea cost Hanoi much of the international sympathy gained during the war with the United States as well as most Western and Japanese aid. Moreover, Hanoi has been unable to obtain legitimacy in international forums for its client regime in Phnom Penh.

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Hanoi's expulsion of many of the country's ethnic Chinese, who dominated the small business and transportation sectors, not only put a damper on the economy but contributed to the termination of Chinese economic assistance in 1978.

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Vietnam finds itself deep in Moscow's embrace. The Soviet Union, for example, now fills over half Vietnam's oil needs and is the biggest aid donor. Almost all major Vietnamese development projects are Soviet assisted. Soviet grain aid has been essential in covering shortfalls in Vietnamese grain production—750,000 tons of grain were delivered last year. Massive Soviet military aid has supported the Vietnamese buildup opposite the Chinese border, as well as the war effort in Kampuchea. Several thousand Soviet military advisers instruct the Vietnamese military in the use of more than \$2 billion of equipment sent to Hanoi from January 1979 to June 1981.

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**Bumpy Road to
a Congress¹**

With economic problems increasing and dependence on the Soviets deepening, the Central Committee in late 1980 decided to convene its Fifth Party Congress in the fourth quarter of 1981. According to the Vietnamese media, the congress was to review the performance of the 1976-80 economic plan and—more importantly—establish the orientation and targets of the 1981-85 plan. In addition, it was to address major issues involved in party reform and elect a new Central Committee. [REDACTED]

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Problems began to surface as the date neared for the congress. Party General Secretary Le Duan tried to purge the party in an attempt to remove members unable or unwilling to implement his economic reforms and also to ensure party discipline and conformity to the party line. The campaign was to have been finished in September 1981, before the provincial party congresses were to be held. But the purge met considerable resistance—it remains incomplete—and the provincial congresses were delayed. [REDACTED]

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With the purge sputtering in the background, the Central Committee convened another plenum on 9 October to finish preparations for the congress. [REDACTED]

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[REDACTED] There were prolonged deliberations and the plenum was the longest since 1974, when the party decided on the final, all-out invasion of South Vietnam. The plenum's only decision by its conclusion on 3 November was to postpone the congress until March 1982. [REDACTED]

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The intensity of the debate and the divisions within the Central Committee forced the leadership to take the unprecedented step of calling two more plenums before the final date for the congress could be announced. Moreover, unlike the plenum prior to the 1976 congress, the proposals drafted by the Central Committee for presentation at the Fifth Party Congress were not publicized—a further indication of the failure to achieve consensus. [REDACTED]

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After the first of these two final plenums, the leadership evidently decided to go ahead with the provincial party congresses, an essential preliminary step to the national congress. In addition to electing delegates to the national congress, the provincial meetings inform the local party organizations of impending policy changes and assess local reaction to nationally set policies. They are essential to preserving the image of unanimity at the national congress. [REDACTED]

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[REDACTED]

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But the provincial congresses, held during the first three weeks of January 1982, indicated that such unanimity would be difficult to achieve. According to the Vietnamese media, there was "heated debate" at several of the congresses, and thousands of amendments were proposed to the draft submissions presented by the Central Committee. The clashes reflected—and were encouraged by—the divisions at the national level. [REDACTED]

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Issues at the Congress

The new five-year economic plan is at the center of the controversy. Although we do not know its exact contents, the plan probably emphasizes agricultural development, the need for increased managerial expertise, control of corruption, some devolution of responsibility and direction to the local level, more measures to satisfy basic human needs, and increased reliance on free-market incentives to stimulate production. Such a plan would continue the reforms begun by Le Duan in 1979. [REDACTED]

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This program apparently is opposed by such doctrinaire members of the leadership as second-ranking Politburo member Truong Chinh. These leaders are concerned that too much devolution of power to the local levels and too much reliance on free-market-style mechanisms will erode party control and discipline and derail Vietnam's advance toward socialism. They appear to believe that central control must be maintained even at the expense of rapid economic expansion. Others seem to fear that too much concentration on agricultural production will sacrifice industrial expansion, keeping Vietnam in the league of raw material producers indefinitely. [REDACTED]

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Party reform—the subject of one of the draft proposals discussed by the provincial congresses—has increased tensions over economic issues and stirred a controversy on its own merits. Senior party officials opposed to the present economic policy have been able to play on the fears of the party rank and file that heightened discipline could endanger their jobs and their party status. They apparently have encouraged grass-roots displays of dissatisfaction with the reforms in their efforts to delay or modify the five-year plan. [REDACTED]

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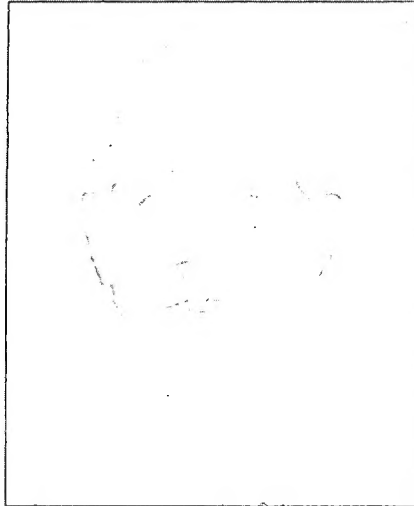
Other officials are simply concerned about losing their jobs. Those who believed themselves secure by dint of long revolutionary service and by connections to major party leaders now see their positions threatened. According to one observer, three members of one provincial central committee were removed because of their refusal to implement economic reforms despite visits by Politburo members to convince them to do so. [REDACTED]

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The Soviet role in Vietnam probably has also inspired some discussion. The emphasis on managerial expertise will enable Soviet-trained personnel to rise faster to higher levels of authority. Those cadre who are Chinese

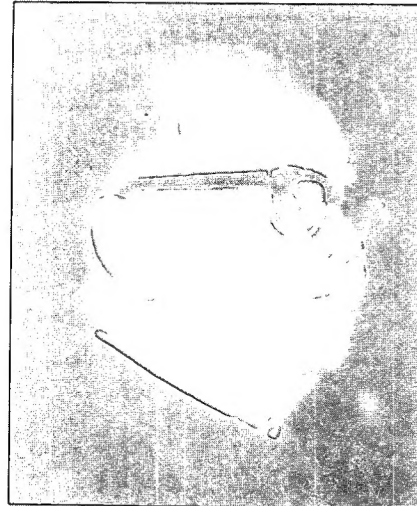
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Le Duan

Despite recent illness, should still be able to push his economic and party reforms through the congress. [redacted]



Truong Chinh

An ideologue who fears that extensive economic liberalization would loosen party control. Most prominent among antireform minority in party leadership. [redacted]

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Le Duc Tho

Longtime head of party's organization department and probably most responsible for implementing the still-incomplete party purge. Le Duan's closest associate. [redacted]

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Pham Hung

Minister of the Interior since 1980, a top Politburo member, and Le Duan associate. Said to favor more gradual socialization of southern Vietnam [redacted]



To Huu

Alternate Politburo member. Was able to survive early ties to Truong Chinh to become a Le Duan protege and spokesman for the economic reforms. Preeminent poet of the Vietnamese revolution [redacted]

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trained—and thus suspect—or who have little formal training will find themselves at a disadvantage. [redacted]

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[redacted] some top leaders—including Truong Chinh—believe that the close relationship with the Soviets will deter offers of assistance from nations outside the Soviet Bloc. This may have been a topic at the December 1981 plenum, when the option of taking a less antagonistic line toward China reportedly was discussed. [redacted]

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The Soviet military role in Vietnam may also be attracting criticism. The February visit by Marshal Ogarkov, Chief of the Soviet General Staff, may have been to express Soviet unhappiness over Hanoi's misuse of Moscow's military assistance. Such a complaint would rankle the Vietnamese, who believe they have received inadequate support in return for Soviet use of Vietnamese air and naval bases. Nevertheless, there appears to be a consensus that Soviet ties are unavoidable because of Vietnam's desperate need for Moscow's aid. [redacted]

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**Soviet Economic and Military Assistance
Since the Fourth Party Congress**

Million US \$

	1977	1978	1979	1980
Total	344	449	1,644	1,106
Economic aid ^a	291	335	572	417
Trade surplus ^b	196	225	457	297
Economic grants ^c	50	50	50	50
Technical services ^d	45	60	65	70
Military equipment deliveries	12	91	1,058	606

^a No trade subsidies have been calculated.

^b From the Soviet foreign trade handbooks; used as a rough estimate of economic aid, excluding grants and services.

^c Based on proportion of grants in reported commitments.

^d Minimum estimated value of Soviet technicians in Vietnam and training of Vietnamese in the USSR.

[REDACTED]

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There is no evidence of debate over the occupation of Kampuchea. China and the United States are still considered to be Vietnam's major enemies. The leadership remains confident that it can outlast ASEAN ² support for the Khmer resistance and West European hesitancy over providing economic aid. [REDACTED]

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The Personal Factor

Vietnam's leadership, together for a half century, so far has not allowed policy differences to cause permanent rifts within its ranks. But these leaders are now in their seventies, and this congress must be viewed by some as their legacy to the coming generations. This may explain in part the considerable difficulty they are having agreeing on an economic plan to present to the congress [REDACTED]

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Party leader Le Duan's reported recent illness is another unsettling factor. He, along with party organization chief Le Duc Tho and Interior Minister Pham Hung, is probably most responsible for the controversial economic and party reforms. His two-month absence from the public eye—including the important Tet celebration—and his reported failure to attend the last plenum probably complicated efforts to push through his program. Despite his reappearance in public on 27 February, Le Duan may not be strong

² Association of Southeast Asian Nations—Singapore, Malaysia, Thailand, Indonesia, and the Philippines [REDACTED]

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enough physically to guide the final congress preparations. If not, his associates—who do not have the same stature within the party—may be unable to prevent some movement toward a reassertion of state controls on production and distribution. [REDACTED] 25X1

Gauging the Results

We believe that the main thrust of Le Duan's economic and party reforms will remain intact. Truong Chinh's influence—while still significant—does not appear to have grown in recent months. Furthermore, Le Duan's associates control the party's personnel apparatus and most security positions, giving him a great advantage over his opponents. [REDACTED] 25X1

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The promotion of Le Duan's protege To Huu to a higher Politburo rank would be a key indicator that Le Duan's position within the leadership remains preeminent. To Huu has been mentioned [REDACTED] as a possible replacement for ailing Pham Van Dong, third-ranked Politburo member and Chairman of the Council of Ministers, who has expressed a desire to retire. [REDACTED] 25X1

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The congress is unlikely to announce the goals and orientation for the plan's entire five-year span. Announcement of only the 1982 economic plan—the least common denominator achievable to avoid an open split—is the most probable outcome. This would save the party from the public embarrassment it suffered last year when it had to acknowledge that the goals of the 1976-80 plan were not met. Le Duan's basic orientation, however, will be maintained. [REDACTED] 25X1

The Central Committee will change in a way favorable to the continued promulgation of Le Duan's policies. His emphasis on younger, better educated leaders may result in a turnover of members as high as 40 percent. [REDACTED] some of these new members may be military officers, a reflection of Vietnam's militarized society, its emphasis on defense needs, and its apparent program to recruit new party members from the military. Thus, even if a complete five-year plan is not passed at the congress, the party's leadership for the period of the plan will be favorable to economic and party reforms. [REDACTED] 25X1

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Changes in the Politburo are also likely to reflect a consolidation of Le Duan's power. Several Politburo members have declined in status since the Fourth Party Congress. At least two—ailing former Foreign Minister and seventh-ranking Nguyen Duy Trinh, along with ninth-ranking member and, until his 1980 deposition by Le Duan, powerful and independent

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Interior Minister Tran Quoc Hoan—are in danger of losing Politburo membership altogether. Possible new Politburo members include apparent Le Duan proteges Foreign Minister Nguyen Co Thach and Planning Commission head Nguyen Lam. [REDACTED]

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A Le Duan victory at the congress will strengthen the already close relations Vietnam has with the Soviet Union. Le Duan's emphasis on economic reforms, which recognizes the need for better utilization of existing resources, offers the Soviets the possibility of limiting or even reducing their support of the Vietnamese economy. The USSR, in fact, probably used the visit in February of Soviet State Planning Chairman and Central Committee member N. K. Baybakov to emphasize its desire to see the economic reforms prevail. Despite frictions caused by the Soviet military presence in Vietnam and the continued need for Moscow's military assistance, a Le Duan victory probably would open the door to greater Soviet use of Vietnamese military facilities and further restructuring of the Vietnamese military along Soviet lines. [REDACTED]

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Le Duan's likely emergence from the congress in a strengthened position will not end tensions and disagreements in the leadership. We see no sign, however, that these tensions are likely in the near future to produce an open split in the leadership or major reversals of Vietnamese policy. In particular, the leadership's commitment to the occupation of Kampuchea seems as strong as ever. The direct economic costs of the occupation are almost entirely underwritten by the USSR. The Vietnamese probably are encouraged by the failure of the various Kampuchean resistance groups to forge an effective coalition and appear confident that they can contain, if not eliminate, the anti-Vietnamese insurgency. In short, Hanoi seems ready to accept continued confrontation with China, no hope of building ties with Washington, and dim prospects for more productive relations with the West in general. [REDACTED]

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